

The Committee on State Government Organization, commonly known as the Shefelman Committee, produced a series of reports examining the organization of state government under the Langlie administration. The two reports highlighted here are available through the Washington State Library as well as others in the series.

STATE OF WASHINGTON



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COMMITTEE ON
STATE GOVERNMENT ORGANIZATION

House Committee Room 7, Legislative Building
OLYMPIA, WASHINGTON

April 15, 1952.

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TO ALL COMMITTEE MEMBERS:

On February 7, 8, and 9, 1952, the Committee held a series of conferences with twenty-three of the State's important executive officers. Each of the officials was encouraged to make a statement based on the attached list of questions, which were distributed some time before the opening date of the conferences. Some of the officers spoke without notes, others furnished the staff with copies of their remarks, while still others distributed reproduced statements in quantity.

The minutes, enclosed herewith, are a summary of substantially all materials submitted, including the transcribed stenographic notes of the conferences and the prepared statements. An effort has been made to reduce the size of the summary as much as possible without impairing the content.

The full record of the proceeds is on file in the Committee's office in Olympia.

OMAR A. COLEMAN, Executive Secretary

OAC:DL

The above report called “Minutes of Conferences with State Executive Officials,” discusses the roles of twenty-three executive officers, some of whom comment on personnel issues of 1952 as seen below:

In response to a question, the Governor stated that he had recommended to the legislature at the last session that a uniform merit system be enacted for the whole state government. In the Governor's opinion this is of the greatest importance. It is one of the reasons that the state gets better employees than its salary schedule would warrant. "People feel there is a possibility of continuous employment in good times and bad. They like the public service. Unfortunately, we have salaries not commensurate with private employment. A merit system would certainly strengthen that system. I believe in it firmly."

The entire publication can be viewed at the [Washington State Library](#).

View also the Committee on State Government Organization's [“Summary Explanation of the Provisions of Personnel Bill Adopted by the Committee on April 3, 1954.”](#)

The Shefelman Committee's work on personnel organization was the basis of bills brought before the Legislature in the 1950s. Unfortunately, the Legislature was unable to come to agreement on any reform legislation. However, the discussions helped form the impetus to the reform brought by Initiative 207 in 1960.

COMMITTEE ON STATE GOVERNMENT ORGANIZATION
House Committee Room 7, Legislative Building
Olympia, Washington

Summary Explanation of the Provisions of Personnel
Bill Adopted by the Committee on April 3, 1954.

It is the purpose of this proposal to provide flexible authority and machinery for the regulation, supervision, and promotion of a modern and positive system of personnel management uniformly in all executive agencies of the state government, in accordance with standards and procedures of proved worth in both private and public management. It would insure that persons in state employ shall be hired, trained, promoted, disciplined, or removed from the service, on the sole basis of merit and fitness and performance on the job. The measure would provide the means for insuring uniform and equitable treatment of all employees below the top levels of political responsibility. The legislative and judicial branches of the government, as well as top administrators, would be exempt. Junior colleges are not mentioned, since each of them is managed as a part of a local school system. They are not "state agencies."

The keynote of the proposal is flexibility. Its method is the establishment of a new central personnel agency and a personnel advisory committee. The agency would consist of a bi-partisan personnel board and a director of personnel, with staff. The board would have broad authority to carry out the purposes of the proposal. There is a minimum of specification of personnel rules in the bill. The section on rules, for example, simply indicates the subjects to be covered, and leaves the substantive content to the board (Sec. 18). The board would appoint a personnel director who would be responsible to the board for the management of all the agency's operations, and would hold office at the pleasure of the board.

A personnel advisory committee consisting of subordinates of elective officials and other major employing agencies would be the mechanism for insuring that the needs and desires of operating departments would be considered by the central personnel agency in formulating policy, in supervising and assisting in its implementation, and in performing services.

Incompetent or unsatisfactory persons would not be "frozen" in their jobs. The personnel agency would have ample latitude to adjust its rules and procedures to facilitate removal of such "dead wood," on the basis of job performance.

As private citizens, off the job, employees would be free, to a considerable degree, to participate in political activity, but not to hold political office. They would be completely free to pursue their work as public employees without any commitment to partisan loyalty. The state, accordingly, would be in a position to recruit the best qualified people available. Well qualified young persons could look forward to the doing of professional or technical work for the state without fear of political vicissitudes.

Section 1. [Section 17 ^{1/} As already indicated, the purpose of this bill is to establish a single system of personnel management for the executive branch of the

^{1/} Section numbers shown in brackets are those of the draft bill submitted to the Legislative Council by its subcommittee on State and Local Government.

state government. The guiding principle of the system would be the treatment of all employees in the same way with respect to appointments, promotions, discipline, and the like, and the encouragement and promotion of methods and attitudes that will result in a work force of maximum efficiency. At the present time personnel policies and practices differ widely among the various agencies. The State Personnel Board regulates a merit system covering the departments of Public Assistance, Employment Security, Health, Fisheries (by statute), and the Department of Public Institutions (in part by statute and in part by executive order). About sixty-four hundred positions are covered. The Highway Department, under a legislative mandate, has established a merit system covering about one-half of its employees, or about thirteen hundred positions. Maintenance and shop employees to the number of about twelve hundred are outside this system. Each of these two systems is based upon a single, brief section of the Code. The State Patrol manages its uniformed personnel, about two hundred sixty-three in number, in accordance with more thoroughly developed statutes setting forth the manner in which appointments and promotions should be made and disciplinary measures taken. The remaining two hundred eighty-nine employees of the Patrol are "civilians" whose positions are subject to the regulations of the Committee on Standards. The Department of Labor and Industries has established a merit system by proclamation of the governor, covering three hundred ninety positions. Except for the departments headed by elective officials, all other departments and agencies of the executive branch manage their personnel in accordance with instructions issued by the Committee on Standards, a part of the Administrative Board. Each of the elective officials regulates personnel management for his department.

Although considerable cooperative effort has been made to co-ordinate the various separate systems, such co-ordination is difficult or impossible in the absence of a clear declaration of policy by the legislature with a single agency responsible for interpretation and implementation of that policy.

Section 2 [Sec. 2] sets forth certain definitions for the purposes of the bill.

Section 3 [Sec. 3] establishes a central personnel agency consisting of a personnel board and a director, and provides that the provisions of the act shall apply, generally speaking, to all of the agencies of the executive branch of the government. Other provisions of the bill set forth the legislative policy which the new agency would be responsible to make effective. Complete coverage, with exceptions stated in succeeding sections of the bill, and the establishment of a single agency, afford the means for uniform and equitable treatment of all employees of the executive branch of the government.

Section 4 [Sec. 4] excludes from the coverage of the act the legislative and judicial branches and the institutions of higher learning, but provides that the central agency may make its services available to any of these, or to municipal corporations, on a reimbursable basis, if it receives a request to do so. This provision is in accord with the principle of the separation of powers, and recognizes the special position of the institutions of higher learning.

Section 5 [Sec. 5] exempts from the coverage of the bill the heads of the various departments and agencies and other statutory positions. These are the highest positions of political responsibility in the executive branch. Tenure in such positions should depend on the electorate or the appointing authority, as the case may be, since it is through these positions that policy direction is accomplished.

Section 6 [Sec. 6] exempts specified positions of a confidential or special nature, and gives the board authority to exempt additional positions if it finds that they are of a policy-making nature. No way has been found of preparing a complete list of such positions or a definition of them for inclusion in the bill that would not have the disadvantage of undue rigidity or possible coverage of positions that ought to be exempt. Administrative discretion would be necessary, therefore, and the board is the proper agency to exercise such discretion if the policy of the bill is to be protected.

Section 7 2/ makes available to the heads of the various agencies persons who have acquired status in the classified service who might be willing to accept appointment to exempt positions. In accepting such an appointment an employee would not be required to abandon all of his rights acquired as an employee in the classified service. He would be eligible for reemployment in the classified service upon termination of his duties in the exempt position if a vacancy for which he was qualified existed at that time. The experience of seasoned state employees with classified status should be available to department heads in filling exempt positions, but such employees should not be faced with complete loss of status in the classified service as the price of taking such a position.

Section 8 [Sec. 7] establishes a bi-partisan personnel board of five members, including representation from organized labor. The governor would appoint the members to serve overlapping terms of six years each, with the advice and consent of the Senate. The provision is such as to require that these appointments be made at a time when the legislature is in session so that the Senate's action can be made effective. Certain persons would be ineligible for service on the board. These persons fall into four classes: First, those who hold office in any political party; second, those who hold any public office; third, those who are paid employees of the state or any of its political subdivisions; and, fourth, those who may be convicted by a court of a felony or a gross misdemeanor involving moral turpitude. This provision is intended to remove the board and the system from direct control in the particular interest of any party organization, or any public officer, or any employees.

Subsection (f) of this section provides for removal of members of the board by the governor for the usual causes of incapacity, incompetence, and the like, and affords opportunity for appeal from such removal to the superior court of Thurston County. Such a provision is intended to insure that removal will be undertaken only in those cases that will bear the light of a judicial hearing.

Subsection (g) provides that each board member shall be paid \$25.00 per day for attendance at official meetings of the board. After the first year each board member is limited to receipt of \$700.00 for this purpose per year. No limit is placed on the total of such payments that may be made during the first year because the amount of work required by the board in establishing the new system would almost certainly be greater than during any succeeding year and would be very hard to predict. The usual provision is made for reimbursement of necessary travel and other expenses.

Subsection (h) provides that the board shall choose its own officers annually. The limitation on the number of successive terms that a member may serve as chairman or vice-chairman of the board is intended to protect the board against the possibility that it might fall under the domination of one or two members.

2/ The Legislative Council's bill does not contain this section.

Subsection (i) provides that the Director of Budget may participate in the proceedings of the personnel board without a vote. The close relation between classification and pay plans and the budget demands that the Director of Budget or such other officer as may inherit his powers should have a voice, if not a vote, in the determination of these matters.

Section 9 [Sec. 8] establishes the office of director of personnel and provides that he shall be appointed by the board and shall serve at its pleasure. The director is to be chosen after a competitive examination, but the board is directed to make a provisional appointment immediately to assist it, pending the recruitment of a director by competitive examination. It is to be expected that recruitment of the director may require considerable time if a highly qualified and experienced person is to be employed. The board would be free to search the country over for such a person. Persons who have held office in partisan political organizations during the two years preceding are ineligible for employment in the position of director. This provision is intended to protect the policy of the bill and to remove the possibility of the imputation of partisan control. It is the intention of this section that the person appointed to the office of director shall have the highest possible professional qualifications in the field of personnel administration.

Section 10 [Sec. 9] establishes a personnel advisory committee to be composed of representatives of major employing agencies of the state. This section provides the means for advisory participation by the operating departments in the framing of regulations and other activities of the central agency. The success of the new personnel agency in accomplishing the purposes for which it is intended will depend to a great degree on the development of a close working relationship between it and the employing departments. The central personnel agency would be required to give consideration to the needs of the various operations. The committee would perform the dual function of representing the major employing agencies and of deliberation upon the differences in needs and points of view among the various departments. The substantial independence of the committee with respect to the central personnel agency is protected by the provision that it shall adopt its own rules and procedures for its deliberations, and the further provision that the director of personnel shall have no official position on the committee, but may attend its meetings. To forestall the possibility that the committee might not be used by the personnel agency or might become inactive, the committee is required to meet at least once each month. Such a committee is of the greatest importance in view of the considerable diversity of the organization of the executive branch of the state government.

Section 11 [Sec. 10] sets forth the general powers and duties of the board. Emphasis is placed upon the board's duty to foster and encourage the improvement of personnel management in the executive branch and to make use of all available assistance to this end. In addition, the board is given the sole authority to promulgate rules and regulations governing personnel management in the executive branch. Sections 10 and 21 of the bill are intended to insure that both agency heads and employees are consulted before promulgation of rules, regulations, and orders. The provision for filing and a waiting period of fifteen days is further assurance that public record of such rules will be made and time will be afforded for the making of any further representations to the board by any interested party. The board is not limited to the consideration of recommendations made to it by the director in the preparation of rules and regulations. It may act on its own motion and go to other sources. Under this section the board would become the source of uniform interpretation of legislative policy.

Section 12 [Sec. 11] gives to the board the authority to hold inquiries and to make investigations and to make recommendations to the legislature and to the governor with respect to the administration of the personnel system. The section, further, would authorize the board to make agreements with cities, counties, and other political subdivisions of the state with respect to the joint use by the state and such governmental units of such techniques and procedures as examination and other aspects of recruitment, joint eligible lists, and the like.

Section 13 [Sec. 12] provides that the board shall have no administrative duties and that it shall not have the power to direct any subordinate employees except its own director of personnel, who, as noted above, would hold office at the pleasure of the board. This provision is intended to curb the general tendency of boards and commissions to permit their attention to be absorbed by the details of administration. Two bad effects result from this tendency. First, the members' attention is diverted from the important matters of policy to which they should be free to devote themselves; and, second, the responsibility of the agency's chief administrative officer may be impaired.

Section 14 [Sec. 13] provides that the board shall regulate dismissals, suspensions, and demotions of state employees. Under the flexible provisions of this section the board would promulgate rules setting forth the causes for which employees might be disciplined or removed, and the procedures to be followed by the employing agency in such cases. The board would then hear appeals initiated by employees to determine whether or not the employing agency concerned in each case had acted properly in accordance with the rules. The board would, accordingly, be in a position to prevent the "freezing" of persons in their jobs regardless of incompetence, lack of interest, insubordination, or other just cause for removal. On the other hand, it would be in a position to insure that discipline and removal were equitably accomplished, and that they were limited to proper cases. The board would be able to adapt its rules to changing conditions.

Section 15 [Sec. 14] gives to the director of personnel the duties of supervising the central personnel agency's operations, preparing rules and regulations for consideration of the board, and making the application of the act effective. The director is to be secretary to the board and keep its records. His chief function, however, would be leadership in the development of improved personnel administration in the employing agencies. The director shares with the board this responsibility for improvement in personnel administration in the state service. He would constantly study and analyze the operation of the act and recommend improvements to the board and to the governor. In short, his would be more of a leadership and service function than a "policing" function, although he would be responsible to insure compliance with the law and the agency's rules and regulations.

Section 16 [Sec. 15] would abolish the present state personnel board and transfer all of its functions, employees, records, equipment, and the like to the new agency.

Section 17 [Sec. 16] is the "grandfather clause"--the provision for "covering-in" of persons employed on the effective date of the act, which would be July 1, 1955. (See Section 33.) The provision divides employees into two categories, those who would be given permanent status automatically under the new system as classified employees, and the remainder. The first of these categories would include: (a) Those having such status on July 1, 1955 under one or another of the existing merit systems

established by law; and (b) all other employees still employed on July 1, 1955 who had completed at least two years of consecutive employment on November 1, 1954. Persons having probationary status under one of the merit systems established by law would continue in that status. The board would have authority to establish standards and procedures for retention or separation of all employees in the second category and for the granting of such status under the new system as such employees might merit. By this means, the proposal avoids on the one hand the impossible burden of giving competitive examinations to all members of this last category of personnel and, on the other hand, the somewhat doubtful propriety of granting permanent status to all employees initially.

Section 18 [Sec. 17] sets forth the subject matter to be covered by the rules and regulations to be promulgated by the board. The subjects to be covered are those that form a normal part of any good personnel management system. Two things might be noted, however. First, this section indicates that the board is the authority which is to interpret existing statutes on leaves of absence, preference of veterans, and the like. Second, this section, by leaving these subjects to regulation rather than statute, leaves with the board flexible authority to adjust its rules on the subjects covered in this section to changing conditions.

Section 19 [Sec. 18] is a "saving clause" which provides that if any part of the act should be found to be in conflict with federal requirements precedent to the receipt of federal funds by the state, such conflicting part shall be inoperative with respect to the agency concerned. The board is then to make rules and regulations to meet such federal requirements. This provision has particular reference to the departments of Public Assistance, Employment Security, and Health, and their relationship with the United States Department of Health, Education and Welfare, which is responsible to determine whether or not each state is conforming to minimum personnel standards.

Section 20 3/ provides for annual review, at a public hearing, of the classification and compensation plans and rules promulgated by the personnel agency. This provision would force a periodic public airing of complaints and suggestions concerning the application of the act.

Section 21 [Sec. 19] 4/ provides for participation of employees in the development and administration of personnel policies by the central personnel agency. In addition to this general provision, subsection (b) gives the board the authority to adjust its compensation and pay plans to labor market conditions and practices. This authority is important to various employing agencies in the management of their relations with their employees. The board may authorize employing agencies to draft classification and compensation plans conforming largely to job classes and pay scales in private employment of recognized trades, crafts, and other skill groups, or of semi-skilled labor occupations in various areas throughout the state. The board would be required, once it had approved such a plan, to delegate authority to the employing agency for administration of the plan subject to the board's supervision. Subsection (c) is intended to make it clear that this proposal would not change present provisions for the adjustment by the Marine Employees Commission of relations between the employees of the Puget Sound Ferry System and the Toll Bridge Authority.

3/ The Legislative Council's bill draft does not contain this section.

4/ The Legislative Council's bill draft has a somewhat different subsection (b).

Section 22. [Sec. 20] This provision would have two chief consequences: (a) It would require certification of all payroll documents by the personnel agency in order to insure that all persons for whom payment was claimed were employed in accordance with the provisions of the law and the board's rules and regulations; and (b) it would make it possible to substitute streamlined payroll procedures for the present vouchering requirements where proper.

Sections 23 and 24. [Secs. 21 and 22] State and local agencies are to furnish facilities to the personnel agency for the giving of examinations, the holding of hearings, and the like. All state agencies are required to comply with the act and rules and regulations promulgated thereunder.

Section 25 [Sec. 23] provides that all records of the central personnel agency would be public records and open to public inspection, but the board would be given authority to classify certain documents as confidential for proper reasons. For example, some personnel records often reveal personal matters regarding individuals, whose rights to privacy should be protected.

Section 26 [Sec. 24] ^{5/} provides that any member of the board, the director, and persons designated by him, would have authority to administer oaths. Subpoenas could be issued only by at least two members of the board acting together.

Sections 27 and 28 [Secs. 25 and 26] would prohibit two kinds of acts or activities: (a) Direct participation by employees in the management of partisan political organizations or campaigns; and (b) the use of fraud, official or political influence, bribery, or the like, in gaining employment, promotion, or other advantage in employment for anyone under the act. State employees could hold such an office as membership on a local school board, for example, but would be required to resign their positions as state employees to hold office in a partisan political organization, to manage a political campaign, or to become a candidate for any salaried or partisan public office. Employees would be free to belong to partisan political organizations and to pay dues voluntarily to such organizations.

Section 29 [Sec. 27] is the severability clause.

Sections 30 through 32. [Secs. 28 and 29] ^{6/} The central personnel agency, like other executive agencies, would operate in accordance with the budget law and the pre-audit law. Section 31 provides procedures by which each fund out of which salaries and wages are paid would pay its share of the total costs of the central personnel agency so that the General Fund would not have to bear the whole expense. At the end of each fiscal quarter each employing agency would be billed for its prorata share of the expenses of the personnel agency for the previous quarter. Each agency would then make payments out of each of the funds by which it is financed and from which salaries and wages are paid, on a prorata basis, to the personnel agency. These payments would be accompanied by statements showing the basis for distribution of the costs among the various funds. Payments would be deposited in the treasury to the credit of the General Fund by the director. Reports of employment and payroll regularly made by executive agencies to the Legislative Budget Committee indicate that over fifty per cent of the expenses of the central personnel agency would be repaid in this manner out of funds other than the General Fund.

^{5/} The Legislative Council's bill draft is somewhat different.

^{6/} The Legislative Council's bill draft contains somewhat different financing provisions.

Section 32 Sec. 29^{6/} makes an appropriation out of the General Fund to the central personnel agency. The total combined payrolls of the covered agencies, based on expenditures for salaries and wages for the month of January, 1954 would be something over \$101,000,000.00 for a biennium. It is sometimes stated that 0.5 per cent of the combined payrolls is a bare minimum amount for the support of a civil service or merit system operation. It is generally agreed among authorities, however, that if the agency is to accomplish the objectives set down for it, namely, more efficient and economical management of personnel, it should have available for its use an amount nearer to 1 per cent of the combined payrolls covered. The present state personnel board's expenditures have averaged 0.81 per cent over the past ten years, with the percentage declining as the number of positions covered has been increased. The figure for 1953 was 0.74 per cent. Considering that January is a low employment month, and taking 0.8 per cent of covered payrolls as a reasonable amount to finance the agency for the initial period, it seems fair to propose an appropriation of \$900,000.00 for the first biennium of the agency's existence. Certain non-recurring expenditures can be expected to be heavy during the first year or two, especially in view of the deadline set for completion of a uniform classification plan. It should be noted again that over fifty per cent of this amount would be returned to the General Fund by other funds. The total cost to the General Fund, therefore, on the basis of an appropriation of \$900,000.00, could be expected to be in the neighborhood of \$400,000.00 for the biennium after all reimbursements had been made, that is, after the end of the "twenty-fifth month" of the biennium.

Section 33 Sec. 30⁷ makes provision for continuing present personnel rules, classification and pay plans, and other policies and practices in effect until changed by rule, regulation, or order of the central personnel agency. It can be anticipated that the change from the old conditions to the new would be gradual, although the central personnel agency is given a mandate to accomplish uniformity in job classification within a year. In other respects the board would be free to adjust its rate of progress to the exigencies of the situation as it might develop.

Sections 34 through 39 would amend existing sections of the Code. In accordance with the rules for drafting such amendments, the omission of words from the present text of the Code is shown by asterisks; the only words added to existing Code provisions by these sections are those that are underlined in the bill.

Section 34 Sec. 31⁷ would amend the Code by striking provisions which now give to the Administrative Board the authority to regulate many aspects of personnel administration for departments under its jurisdiction.

Section 35 Sec. 32⁷ would amend the Fisheries Code by striking reference to the present personnel board and the merit system that it regulates.

Section 36 Sec. 33⁷ would amend the Code by striking present provisions which give to the Director of Budget the duty of making personnel classification and pay surveys and the like.

Sections 37 and 38 Secs. 34 and 35⁷ would amend the code by striking reference to other Code sections which would be repealed by Section 41 Sec. 38⁷ of this bill.

^{6/} The Legislative Council's bill draft contains somewhat different financing provisions.

Both uniformed and "civilian" employees of the State Patrol would thus be brought under the coverage of the bill.

Section 39 [Sec. 36] would amend the Code by striking a brief provision with respect to the Liquor Control Board's personnel. Such provisions would be covered by the provisions of this bill and the personnel board's rules.

Sections 40 and 41 [Secs. 37 and 38] would repeal provisions of the Code relating to personnel management in the following agencies: The Division of Children and Youth Services of the Department of Public Institutions; Highway Department; Employment Security Department; Department of Public Assistance and the State Patrol. All of these provisions would be superseded by the new system.